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## Rural renewal

MENDON — The University of Vermont is doing what it can to turn the state's "brain drain" into a "brain gain."

Vermont is losing too many of its young adults who are looking outside the state for jobs or to further their education, UVM President Dan Fogel told the 68th annual meeting of the Rutland Economic Development Corp. last week.

"History shows that a large percentage of the state's young people leave Vermont," Fogel told the large gathering at the Cortina Inn. "They often attend college in other states. When they do, they often get their first jobs within a hundred miles of where they go to college and once you take your first job out of state the odds do not favor you ever returning to your home state during your working lifetime."

Fogel warned that the forecast is that the "brain drain" will worsen unless Vermont nurtures and creates the kind of jobs that will keep its young people from bolting to other states. Based on U.S. Census data, he said that between 1990 and 2000, the state lost 19 percent of its 20 to 34-year-olds.

He cited a more recent and disturbing survey that "the number of high school graduates in Vermont is projected to drop by 26 percent between 2002 and 2018," making it one of the most precipitous drops in the county.

Fogel, who came to UVM three years ago from Louisiana State University, said UVM has taken steps to boost the state's economy. Those efforts include the UVM Business Center and the establishment of the National University Transportation Center, one of only 10 such centers in the country, funded with a \$16 million federal grant obtained with the help of Sen. James Jeffords, I-Vt.

The transportation center will focus on the development of environmentally friendly and sustainable fuel technologies including biodiesel and hydrogen fuel cells. Those technologies, in turn, can lead to job creation in the state, Fogel said.

"The transportation center is designed to create a large scale

enterprise that will not only address the region's and the nation's growing list of transportation challenges but will also look for solutions that will spawn Vermont products, Vermont companies and Vermont jobs," Fogel said.

The UVM Business Center supports the state's businesses through education and training and offering a needs assessment for companies. That training includes a management certification program for executives.

Fogel touted UVM's academic reputation as a plus for the state's economy. He noted that this year's freshman class was the largest in history and that the school had a record level of retention of returning sophomores. So far this year, he said the school had received 2,137 applications for next year's freshman class, a pace that is ahead of last year.

To complement its academic standing, Fogel said the university has undertaken \$300 million in capital improvements, including the 200,000 square foot Dudley H. Davis student commons and its first dormitory construction in 35 years.

During the business portion of the meeting, REDC executive director William McGrath reviewed the work of the organizations over the past year. McGrath said that in addition to helping existing businesses expand, REDC continued its recent focus on recruiting new businesses to Rutland County.

He said the year saw six new companies open for business, employing 140 workers with a total capital investment of \$9 million.

In addition, McGrath said 23 existing businesses are expanding, which will eventually lead to 675 jobs over the next three years with a capital investment of \$42 million.

"So I would have to say things in Rutland County economically are doing very, very well," he said.

McGrath said REDC now owns the 44,600 square foot former Qualitad building on Quality Lane with only 5,000 square feet left to lease.

McGrath expressed concern about the dwindling worker pool and its impact on future business expansion and recruitment efforts.

"We have a problem with employees and the problem is numbers," McGrath said. "We don't have the numbers these companies are going to require at this point in time."

He added that it's a problem faced by rural communities around the country.

REDC is expanding its \$923,000 revolving loan fund program to Bennington County, which should generate an additional \$100,000 to \$125,000 in loans the first year. Last year, REDC made \$660,000 in loans to small businesses in Rutland County.

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